MGM University,

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A

PhD. Final Synopsis on

"A study on financial literacy and its determinants among working young in Marathwada region"

In

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By

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Introduction

The dawn of the 21st century has seen a seismic shift in the global financial landscape. With the proliferation of technology, the introduction of complex financial products, and the democratization of financial markets, understanding the intricacies of personal finance has become more vital than ever. This is where the concept of financial literacy emerges as a cornerstone for individual financial well-being.

Financial literacy refers to the capacity to understand and apply various financial concepts and tools in everyday life, from budgeting and saving to making informed decisions about loans, investments, and other financial endeavors (Lusardi & Mitchell, 2007). More than just a basic understanding of arithmetic, it encompasses a person's ability to use knowledge and skills to manage their financial resources effectively throughout their life.

Globally, financial illiteracy has been recognized as a challenge. Surveys conducted across different countries have consistently shown that a large proportion of adults lack basic financial knowledge. For instance, a study by Lusardi et al. (2010) revealed that many individuals do not understand the fundamental principles of finance, such as the workings of interest rates, inflation, or risk diversification. This lack of understanding can lead to poor decision-making, which can have long-term negative effects on an individual's financial health and overall well-being.

In the Indian context, the importance of financial literacy cannot be overstated. As one of the world's fastest-growing economies, India has witnessed a surge in its middle-class population, with an increasing number of individuals participating in the financial markets (VISA, 2012). However, this growth has been juxtaposed with a concerning level of financial illiteracy. Reports, including the one by VISA (2012), have indicated that India lags behind many countries when it comes to the financial knowledge of its citizens. This discrepancy poses a significant challenge, especially when considering the country's aspirations for sustained economic growth and financial inclusion.

Marathwada, a region in the western part of India, serves as an intriguing focal point for studying financial literacy. Historically, the region has faced various challenges, from droughts and agricultural distress to socio-economic disparities. However, in recent years, there has been a noticeable uptick in economic activities, especially in sectors like education, manufacturing, and services. The burgeoning young working population in the region, characterized by its aspirations and potential, is at the heart of this transformation. Understanding their financial literacy levels becomes crucial, not just for their individual prosperity but also for the overall economic development of the region (Samy, Martin, Tawfik, & Nagar, 2008).

The repercussions of financial illiteracy are manifold. On a personal level, individuals who lack financial knowledge often find themselves mired in debt, unable to save for their future, or make informed decisions about investments

Research Questions

The study seeks to answer the following research questions:

1. What is the current level of financial literacy among young working professionals in the Marathwada region?
2. Which factors contribute most significantly to the financial literacy levels of this demographic?
3. How do socio-demographic variables like age, gender, income, education, and employment status influence financial literacy levels?

Aim and Objectives

Aim: The primary aim of this research is to assess and understand the financial literacy level of young working professionals in Marathwada.

Objectives:

1. To study the level of financial literacy among the target group.
2. To know the relationship between Financial Knowledge, Financial Attitude and Financial Behavior.
3. To analyze the financial literacy levels based on various socio-demographic variables.

Literature Review

Synthesis of at least 30 studies conducted recently

Financial literacy, its economic importance, and its influence on individual and collective financial behaviors have been extensively studied in recent years. **Lusardi and Mitchell (2014)**, in their seminal work, underscored the economic importance of financial literacy, emphasizing its role in influencing various financial behaviors and outcomes. Their findings suggest a strong correlation between financial literacy and successful financial planning, especially for retirement.

In another comprehensive study, **Hastings et al. (2013)** explored the potential benefits of financial education. Their research sheds light on the intricate relationship between financial literacy and economic outcomes, suggesting that well-designed financial education programs can lead to better financial decisions, especially in complex financial environments.

Building on this, **Fernandes et al. (2014)** delved into the efficacy of financial education. Their research posed a critical question: Does financial education truly lead to better financial behavior? Interestingly, while they acknowledged the immediate positive effects of financial literacy, they found that these effects dissipate over time, highlighting the need for continuous reinforcement in financial education.

Lusardi and Tufano (2015) took a unique angle, examining the relationship between debt literacy and financial experiences. Their findings revealed that a lack of debt literacy is often linked with adverse financial behaviors, such as over-indebtedness, suggesting the need for targeted financial education, especially in the realm of debt management.

Focus on Youth

The financial literacy of youth, particularly their ability to understand and effectively navigate the complex financial landscape, has been a focal point of academic research in recent years. **Lusardi, Mitchell, & Curto (2010)**, in their seminal study, highlighted the concerning levels of financial illiteracy among young adults. Their findings suggest that many young people lack basic financial knowledge, which could have long-term implications for their financial well-being.

Similarly, **Mandell (2008)**, through a comprehensive survey, revealed a stark lack of financial knowledge among high school seniors and college students in America. This lack of understanding underscores the urgency for more robust financial education initiatives tailored for this demographic.

The body of literature surrounding financial literacy underscores its pivotal role in shaping financial behaviors and outcomes across different demographic groups and geographical contexts.

H1: The financial knowledge of working youth in Marathwada region is within acceptable level

Relationship between Financial Knowledge, Financial Attitude and Financial Behavior

The interplay between financial knowledge, financial attitudes, and financial behavior constitutes a critical area of study within the domain of personal finance and behavioral economics. This literature review synthesizes findings from a selection of research studies conducted between 2010 and 2023 to explore the hypothesis that there exists a positive relationship between financial knowledge, financial attitude, and financial behavior.

H2: There is a positive relationship between Financial Knowledge, Financial Attitude and Financial Behavior.

Financial Literacy and Socio-Demographic Factors

The examination of financial literacy across various demographic variables reveals a complex web of influences that shape an individual's financial knowledge and capabilities. This literature review aims to explore the nuances of financial literacy among the working youth in the Marathwada region, considering factors such as gender, age, family type, education, income, marital status, financial decision-making, occupation, and district.

H3: There is a significant difference between the level of financial literacy of working young in Marathwada region based on their gender.

3.1: There is a significant difference between the level of financial literacy of working young in Marathwada region based on their age.

3.2: There is a significant difference between the level of financial literacy of working young in Marathwada region based on their family type.

3.3: There is a significant difference between the level of financial literacy of working young in Marathwada region based on their education.

3.4: There is a significant difference between the level of financial literacy of working young in Marathwada region based on their income.

3.5: There is a significant difference between the level of financial literacy of working young in Marathwada region based on their marital status.

3.6: There is a significant difference between the level of financial literacy of working young in Marathwada region based on their financial decision making.

3.7: There is a significant difference between the level of financial literacy of working young in Marathwada region based on their occupation.

3.8: There is a significant difference between the level of financial literacy of working young in Marathwada region based on their district.

Research gap

1. **Demographic Specificity**: While numerous studies have examined financial literacy in various demographic groups, there appears to be limited research specifically focused on the young working professionals in the Marathwada region of India. This specific demographic may have unique challenges and factors influencing their financial literacy, which have not been thoroughly explored.
2. **In-depth Understanding of Determinants**: Studies have shown correlations between financial literacy and various factors such as education, gender, employment status, etc. However, a deeper understanding of how these determinants interact with each other and their combined influence on financial literacy in the Marathwada context is missing.
3. **Financial Behaviors vs. Financial Knowledge**: While financial literacy has been extensively studied, there is a gap in understanding the direct application of this knowledge into financial behaviors, especially in the context of young working professionals in Marathwada.
4. **Effectiveness of Financial Education Initiatives**: While the literature emphasizes the importance of financial literacy and education, there's a gap in assessing the effectiveness of various financial education initiatives, specifically tailored for the Marathwada region.
5. **Debt Literacy**: **Lusardi and Tufano (2015)** explored the relationship between debt literacy and financial experiences. Given the increasing complexities of financial products and the rise of consumer debt, there's a gap in understanding debt literacy and its implications specifically for the young working professionals in Marathwada.

Research Methodology

Research Type/Strategy

This study adopts a descriptive research design to explore the financial literacy levels among the young working population in the Marathwada region. The primary objective is to assess how financial knowledge, attitudes, and behaviors differ across various demographic segments within this group. By utilizing both quantitative and qualitative data, the research aims to provide a comprehensive overview of financial literacy's state, determinants, and outcomes in the targeted population.

Data Type

The research primarily relies on **primary data**, collected via structured questionnaires from individuals within the age group of 25-40 years across eight districts in the Marathwada region. The questionnaire is designed to capture socio-demographic characteristics, financial knowledge, attitudes, and behaviors. **Secondary data** is gathered from reputable sources, including research journals, books, and online databases, to supplement the primary data and provide a broader context regarding financial literacy trends and insights.

Research Process

The research process commenced with the development of a structured questionnaire. The questionnaire designed for this study is a comprehensive tool aimed at assessing the financial literacy levels among the working young population in the Marathwada region. It is structured into two main sections, each serving distinct purposes and encompassing different types of questions to gather a wide range of data relevant to the study's objectives.

Socio-Demographic Information

This section of the questionnaire is dedicated to collecting basic socio-demographic data from respondents. It comprises 9 questions that cover a broad spectrum of personal and socio-economic characteristics. The types of questions included in this section are:

1.Multiple Choice Questions (MCQs): These questions allow respondents to select one option that best describes their situation. MCQs are used to gather information on gender, marital status, and family type.
2.Dropdown Questions: For items like district and occupation, dropdown menus are provided to ensure that responses are consistent and easily analyzable.
3.Likert Scale Questions: While primarily used in the second section, a few Likert scale questions may be included here to gauge perceptions or attitudes towards socio-demographic factors, such as the perceived influence of education on financial decision-making.

Financial Literacy Assessment

The second section is the core of the questionnaire, designed to evaluate the respondents' financial knowledge, attitudes, and behaviors. It consists of a series of questions, each aimed at uncovering different dimensions of financial literacy.

Financial Knowledge Questions: This subset includes 8 questions that test the respondents' understanding of basic financial concepts such as inflation, interest rates, compounding, risk and reward, and the distinction between assets and liabilities. The questions are formatted as MCQs with a scoring system that allocates a total of 12 points across the questions to quantify financial knowledge.

1. **Financial Attitude Questions:** Comprising 8 questions, this part employs a Likert scale ranging from "strongly agree" to "strongly disagree" to capture the respondents' attitudes towards financial matters. The questions explore attitudes towards savings, investments, risk tolerance, and financial planning. Some questions are reverse-coded to mitigate response bias and ensure that respondents are attentive and engaged.
2. **Financial Behavior Questions:** This section also uses 8 Likert scale questions to assess behaviors related to budgeting, saving, investing, and managing debt. Like the financial attitude questions, some items here are reverse-coded to validate the consistency and reliability of responses.

   Data collection involved approaching 1,789 respondents using various methods such as email, telephonic communication, and direct visits, with a majority being through direct visits. Responses were collected both online (via Google Forms) and offline (using hard copies of the questionnaire), leading to the submission of 1,017 completed questionnaires. After data cleaning and validation, 875 responses were deemed suitable for analysis.

   Sample Design

- **Target Population/Universe**: The study targets the young working population within the Marathwada region, specifically those aged between 25 and 40 years.

Characteristics: The population of interest comprises individuals employed across various sectors, possessing varying levels of education, income, and residing in different family types and marital statuses.

Sample Size: A total sample size of 875 valid responses was achieved, distributed across eight districts as follows:

- Aurangabad: 161
- Nanded: 159
- Beed: 111
- Latur: 116
- Jalna: 108
- Parbhani: 88
- Osmanabad: 77
- Hingoli: 55

Sampling Type: A stratified sampling technique was employed to ensure that the sample accurately reflects the diverse demographics within the target population. This approach allowed for a more detailed analysis of financial literacy across different socio-demographic groups.

The research methodology outlined above is designed to provide a thorough understanding of the financial literacy levels among the working young in Marathwada, considering the impact of various socio-demographic factors. This comprehensive approach ensures the reliability and validity of the findings, contributing valuable insights into financial education and policy development.

Data Collection

The data collection process for this research on financial literacy among the young working population in the Marathwada region was meticulously planned and executed to ensure comprehensive, reliable, and ethical gathering of information.

Data Collection Process

The primary data was collected through structured questionnaires distributed to individuals aged 25-40 across eight districts of the Marathwada region. A total of 1,789 respondents were approached using a combination of methods, including email, telephonic communication, and direct visits, with a predominant focus on the latter to enhance response rates and engagement. The data collected through direct visits was recorded on hard copies of the questionnaire, while online submissions were facilitated via Google Forms. Out of the initial respondents, 1,017 provided completed questionnaires, from which 875 valid responses were selected for final analysis after a thorough data cleaning and validation process.

Questionnaire Format

The questionnaire comprised two main sections: socio-demographic information and financial literacy assessment. The socio-demographic section included closed-ended questions on age, gender, income, marital status, family type, district, education, financial decision-making, and occupation. The financial literacy section was designed to evaluate financial knowledge (using multiple-choice and true/false questions), attitudes, and behaviors (both assessed via Likert scale questions). This format facilitated a balanced mix of quantitative and qualitative data collection, allowing for a nuanced analysis of financial literacy across different demographics.

Data Analysis Process

Data analysis was conducted using statistical software to process and interpret the collected information. Descriptive statistics were utilized to summarize the socio-demographic characteristics and financial literacy levels of the respondents. Inferential statistics, including One Sample t-tests, Pearson's Correlation and ANOVA, were applied to examine the relationships between demographic factors and financial literacy scores, thereby testing the research hypotheses.

Data Analysis

Introduction

The data analysis phase of our research on financial literacy among the young working population in the Marathwada region unfolds through a meticulous examination of collected data, structured to shed light on various facets of financial literacy across different demographics. This segment of the study begins with a detailed demographic profile analysis, where we explore nine socio-demographic variables including gender, age, income, family type, district of residence, occupation, financial decision-making practices, marital status, and education level. The aim here is to paint a comprehensive picture of our respondent pool, understanding the diverse backgrounds and life situations that might influence their financial literacy. This foundational analysis not only sets the stage for interpreting subsequent findings but also helps in identifying specific demographic segments with unique financial literacy needs and strengths.

Transitioning from the demographic landscape, the analysis then delves into the general background concerning the study's core interests: financial knowledge, financial attitudes, and financial behaviors. By presenting average scores obtained by participants in these areas, this section aims to provide an overview of the prevailing levels of financial literacy within the target population. Such a general analysis is crucial for pinpointing areas where financial literacy is robust and where it may be lacking, thereby guiding the direction for more focused inquiries and interventions.

The culmination of our data analysis is the inferential analysis segment, where the hypotheses set forth at the study's inception are rigorously tested through various statistical tests, including One-Sample T-Tests, Correlation analyses, and ANOVA (Analysis of Variance). This critical examination seeks to uncover significant relationships and differences within the data, offering an empirical basis to our hypotheses concerning the impact of demographic factors on financial literacy and the interplay between financial knowledge, attitudes, and behaviors. Through these inferential statistical methods, we aim to unearth underlying patterns and dynamics within the dataset, providing insights that could inform effective strategies for enhancing financial literacy among the young working adults in the Marathwada region.

Together, these analytical steps form a cohesive narrative that not only highlights demographic trends and baseline financial literacy levels but also elucidates the complex relationships between various demographic characteristics and aspects of financial literacy. This comprehensive approach to data analysis is intended to contribute meaningful insights to the discourse on financial education and policy, supporting targeted efforts to elevate financial literacy among the study's demographic and beyond, thereby fostering a more financially literate and empowered society.

Survey:

Demographic Profile

Before delving into the demographic analysis of the young working population in the Marathwada region, it's crucial to contextualize the importance of understanding the interplay between demographic factors and financial literacy. Financial literacy, the ability to use knowledge and skills to manage financial resources effectively, is not merely a function of individual choice but is significantly influenced by a myriad of socio-demographic factors. These include gender, age, family type, educational level, income, marital status, financial decision-making autonomy, occupation, and geographical location. Each of these variables plays a pivotal role in shaping an individual's financial behaviors, attitudes, and overall literacy. This analysis aims to uncover the nuanced ways in which these demographic factors impact financial literacy among the target population. By doing so, we seek to identify key areas where targeted interventions can significantly enhance financial understanding and practices. This introductory overview sets the stage for a detailed exploration of the demographic landscape of the Marathwada region, providing valuable insights into the complex fabric of financial literacy across different segments of society.

Gender

Figure 5.2.1: Gender of Respondents

The demographic profile regarding gender among the young working population in the Marathwada region reveals a distribution of 512 male and 363 female respondents. This disparity invites a nuanced analysis of gender differences in financial literacy, echoing broader research trends that underscore the significant impact of gender on financial knowledge, attitudes, and behaviors.

Age

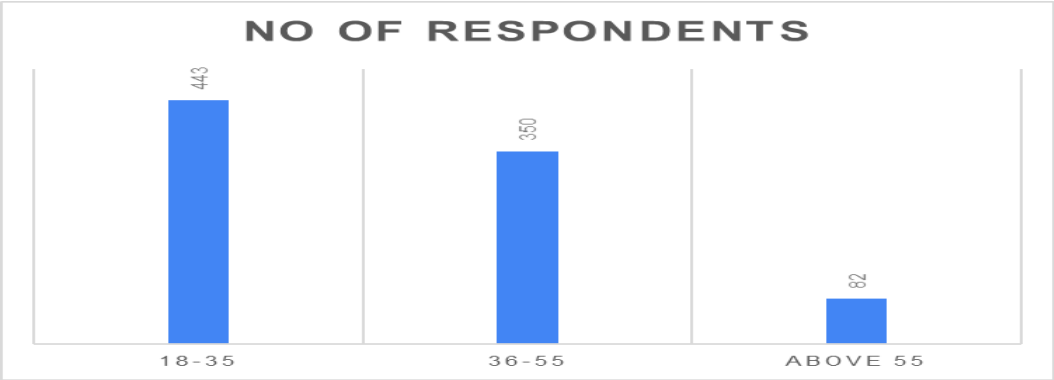

Figure 5.2.2: No of Respondents By Age

The age distribution among respondents in the study reveals insightful trends regarding financial literacy across different life stages. With 443 individuals falling within the 18-35 age group, 350 in the 36-55 category, and a smaller cohort of 82 respondents above the age of 55, the data sets a foundation for exploring how financial literacy evolves with age.

District

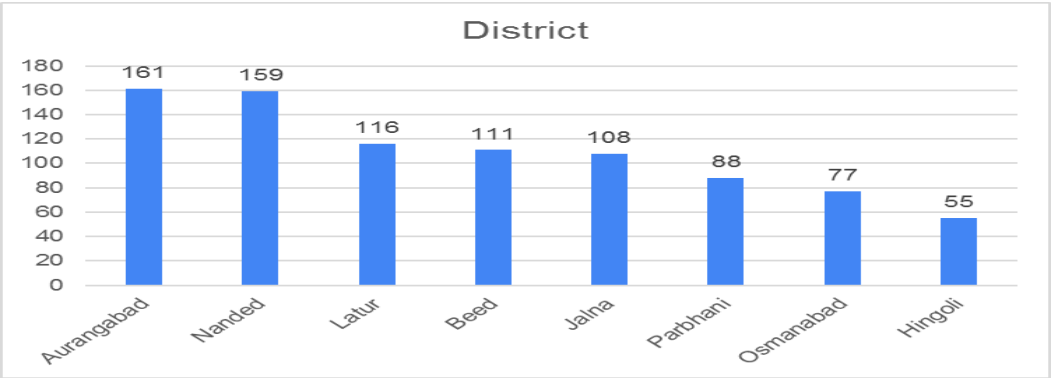

Figure 5.2.9: No of Respondents By Marathwada District

The distribution of respondents across different districts—161 from Aurangabad, 159 from Nanded, 116 from Latur, 111 from Beed, 108 from Jalna, 88 from Parbhani, 77 from Osmanabad, and 55 from Hingoli—highlights geographical diversity within the Marathwada region and opens avenues for exploring how regional differences affect financial literacy. This geographical variation allows for an examination of local economic conditions, educational opportunities, and cultural factors that may influence financial behaviors and knowledge.

Financial Knowledge Accuracy Level

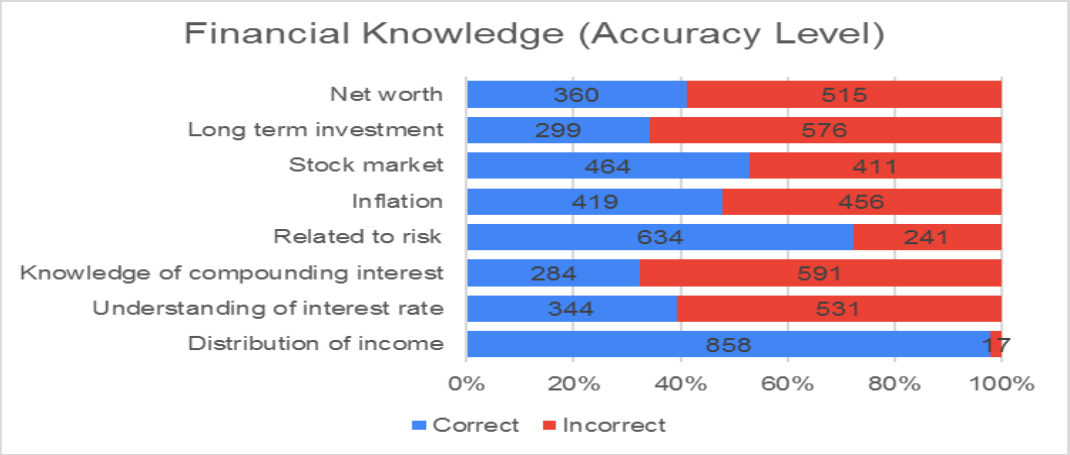

Figure 5.2.10: Accuracy Level of Financial knowledge

The analysis of the financial knowledge accuracy level among respondents unveils significant insights into their understanding of fundamental financial concepts, crucial for making informed financial decisions. The data, reflecting responses to questions on a range of topics from income distribution to the intricacies of the stock market and net worth, offers a window into the financial literacy landscape among the studied demographic.

A high accuracy rate was observed in questions related to basic economic principles such as the distribution of income, with 858 correct responses out of 875, indicating a strong foundational understanding among the majority. However, more complex concepts such as the understanding of interest rates, compounding interest, and long-term investment strategies were less accurately answered, suggesting areas where financial education could be enhanced.

Financial Knowledge Level

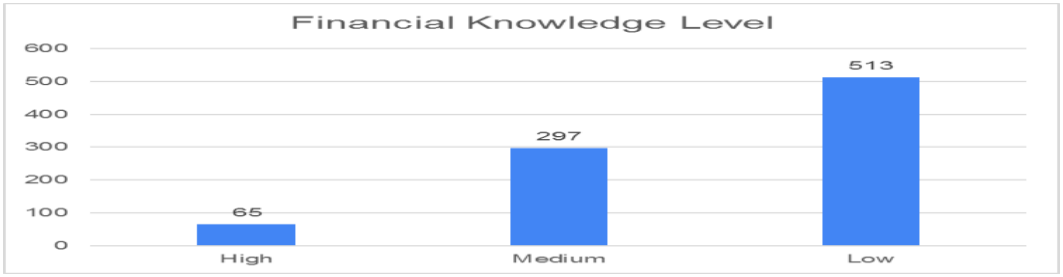

Figure 5.2.12: No of Respondents By Level of Financial knowledge

The distribution of financial knowledge levels among respondents—65 classified as high, 297 as medium, and 513 as low—provides a profound insight into the financial literacy landscape within the studied demographic. This classification,

based on scores from a financial literacy assessment, where less than 50% is categorized as low, more than 66% as high, and the remainder as medium,

Financial Attitude Analysis

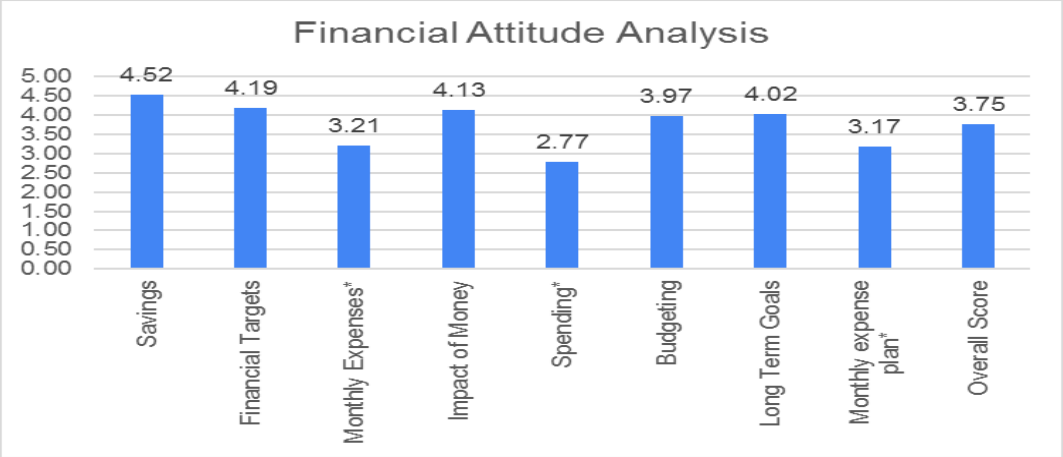

Figure 5.2.13: No of Respondents By Financial Attitude

The assessment of financial attitudes among respondents, through a series of statements rated on a 5-point Likert scale, provides a nuanced understanding of their perceptions and values regarding various aspects of financial management. The overall average score of 3.75 indicates a moderately positive financial attitude, suggesting that, on average, respondents recognize the importance of prudent financial behaviors. However, the variation in scores across different statements reveals a more complex picture of financial attitudes within the studied demographic.

Financial Behavior Analysis

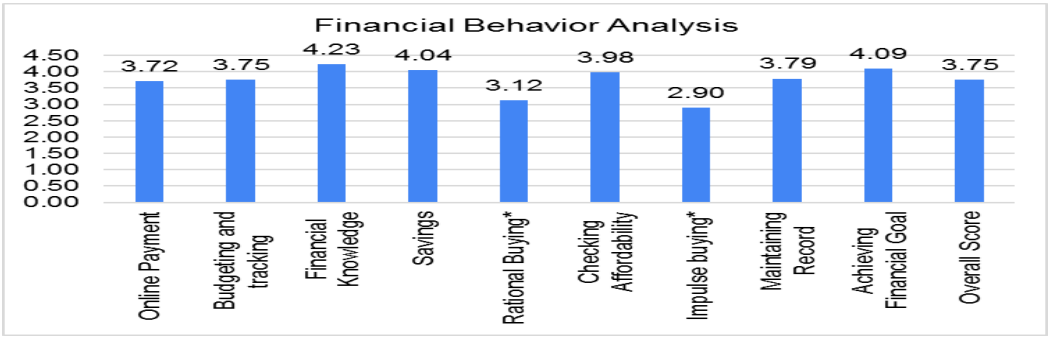

Figure 5.2.14: No of Respondents By Financial Behavior Analysis

The assessment of financial knowledge through Likert scale statements provides an intricate view into the financial acumen of respondents. The overall average score of 3.75 indicates a moderate level of financial knowledge, suggesting that while

respondents have a fair understanding of basic financial management principles, there is room for improvement, especially in areas that require behavioral change and deeper financial comprehension.

5.2.3 Inferential Analysis (Hypothesis Testing)

H1: The financial knowledge of working youth in Marathwada region is within acceptable level

Table 5.2.3: Inferential analysis for financial knowledge score

One-Sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
Financial Knowledge Score	875	.4086	.16414	.00555

Table 5.2.4: One Sample Test

One-Sample Test						
	Test Value = 0.5142					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Financial Knowledge Score	-19.036	874	.000	-.10563	-.1165	-.0947

The hypothesis "The financial knowledge of working youth in Marathwada region is within an acceptable level" posits that young working adults in the region possess a level of financial knowledge deemed satisfactory for effective financial management. However, the statistical analysis reveals a different narrative. The one-sample test, with a test value set at 0.5142—presumably representing the benchmark for "acceptable" financial knowledge—contrasts sharply with the observed mean financial knowledge score of 0.4086 (N=875). This discrepancy is statistically significant ($t=-19.036$, $df=874$, $p<.000$), with the mean difference from the benchmark being -0.10563, indicating that the financial knowledge of the working youth in Marathwada is below the hypothesized acceptable level.

The significance of financial knowledge for effective personal financial management is well-established in literature, with Fernandes, Lynch, and Netemeyer (2014) discussing how higher financial literacy is associated with better financial behaviors and outcomes. The findings from Marathwada resonate with

Xiao et al. (2014), who argue for targeted financial education interventions to improve financial literacy levels, particularly in regions where economic and educational disparities may exacerbate the knowledge deficit.

H2: There is a positive relationship between Financial Knowledge, Financial Attitude and Financial Behavior.

Table 5.2.5: Positive Relationship

Descriptive Statistics			
	Mean	Std. Deviation	N
Financial Knowledge Score (%)	.4086	.16414	875
Financial Attitude	3.7496	.47935	875
Financial Behavior	3.7351	.46072	875

Table 5.2.6: Positive Relationship with Correlation

Correlations				
		Financial Knowledge Score (%)	Financial Attitude	Financial Behavior
Financial Knowledge Score (%)	Pearson Correlation	1	-	-
Financial Attitude	Pearson Correlation	.162**	1	-
Financial Behavior	Pearson Correlation	.141**	.530**	1
**. Correlation is significant at the 0.01 level (2-tailed).				

The hypothesis "There is a positive relationship between Financial Knowledge, Financial Attitude, and Financial Behavior" posits that an increase in financial knowledge within individuals is positively associated with more constructive financial attitudes and behaviors. The descriptive statistics and correlation coefficients derived from the study provide substantial evidence to support this hypothesis.

The mean scores for Financial Knowledge (40.86%), Financial Attitude (3.7496), and Financial Behavior (3.7351) across 875 respondents indicate varied levels of financial literacy, attitudes, and behaviors among the studied population. The Pearson correlation coefficients reveal significant positive relationships between these dimensions. Specifically, the correlation between Financial Knowledge and Financial Attitude (.162**) and between Financial Knowledge and Financial Behavior (.141**) are both positive and statistically significant at the 0.01 level (2-tailed), albeit modest in magnitude. This suggests that as financial knowledge increases, so do positive financial attitudes and behaviors, albeit at a gradual rate. Furthermore, a stronger positive correlation exists between Financial Attitude and

Financial Behavior (.530**), indicating that a constructive financial attitude is a more powerful predictor of positive financial behavior.

H3: There is a significant difference between the level of financial literacy of working young in Marathwada region based on their gender.

Table 5.2.7: Descriptives data of Gender

Descriptives									
		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
						Lower Bound	Upper Bound		
Financial Knowledge Score (%)	Female	363	.3976	.16929	.00889	.3801	.4151	0.00	.83
	Male	512	.4163	.16010	.00708	.4024	.4302	0.00	.83
	Total	875	.4086	.16414	.00555	.3977	.4195	0.00	.83
Financial Attitude	Female	363	3.7151	.48779	.02560	3.6647	3.7654	2.13	5.00
	Male	512	3.7741	.47222	.02087	3.7331	3.8151	2.50	5.00
	Total	875	3.7496	.47935	.01620	3.7178	3.7814	2.13	5.00
Financial Behavior	Female	363	3.7588	.43102	.02262	3.7143	3.8033	2.56	4.67
	Male	512	3.7183	.48037	.02123	3.6766	3.7600	2.33	4.78
	Total	875	3.7351	.46072	.01558	3.7045	3.7657	2.33	4.78

Table 5.2.8: ANOVA Analyzing the financial knowledge, attitude, and behavior

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Financial Knowledge Score (%)	Between Groups	.075	1	.075	2.771	.096
	Within Groups	23.472	873	.027		
	Total	23.547	874			
Financial Attitude	Between Groups	.740	1	.740	3.229	.073
	Within Groups	200.083	873	.229		
	Total	200.823	874			
Financial Behavior	Between Groups	.349	1	.349	1.644	.200
	Within Groups	185.169	873	.212		
	Total	185.517	874			

The hypothesis "There is a significant difference between the level of financial literacy of working young in Marathwada region based on their gender" posits that gender plays a crucial role in determining financial literacy levels among the young working population. Analyzing the financial knowledge, attitude, and behavior scores across genders provides an empirical basis to examine this hypothesis.

Descriptive statistics reveal slight differences in mean scores between genders across all three financial literacy dimensions. For **Financial Knowledge**, males exhibited a slightly higher average score (.4163) compared to females (.3976), although the difference was not statistically significant (F=2.771, p=.096). This

finding aligns with **Lusardi and Mitchell (2014)**, who observed minimal but consistent gender differences in financial knowledge in various contexts.

In terms of **Financial Attitude**, males again scored marginally higher (3.7741) than females (3.7151), with the ANOVA test yielding a p-value of .073, indicating that the difference, while notable, falls just short of conventional significance levels. This is consistent with research by **Fonseca et al. (2012)**, suggesting that while gender differences in financial attitudes exist, they may not always be pronounced or statistically significant.

For **Financial Behavior**, females scored slightly higher (3.7588) than males (3.7183); however, the difference was not statistically significant (F=1.644, p=.200). This suggests that gender may not be a decisive factor in determining financial behaviors, a conclusion supported by **Xiao et al. (2014)**, who found financial behaviors to be influenced by a variety of factors beyond gender.

H 3.1: There is a significant difference between the level of financial literacy of working young in Marathwada region based on their age.

Table 5.2.9: Difference Between Financial Literacy of Working Young By Age.

Descriptives

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
						Lower Bound	Upper Bound		
Financial Knowledge Score (%)	18-35	443	.4041	.16328	.00776	.3888	.4193	0.00	.83
	36-55	350	.4269	.16094	.00860	.4100	.4438	.08	.83
	Above 55	82	.3547	.17064	.01884	.3172	.3922	.08	.83
	Total	875	.4086	.16414	.00555	.3977	.4195	0.00	.83
Financial Attitude	18-35	443	3.7653	.48107	.02286	3.7204	3.8102	2.50	5.00
	36-55	350	3.7527	.48649	.02600	3.7015	3.8038	2.13	4.88
	Above 55	82	3.6520	.43085	.04758	3.5573	3.7466	2.50	4.88
	Total	875	3.7496	.47935	.01620	3.7178	3.7814	2.13	5.00
Financial Behavior	18-35	443	3.7195	.48121	.02286	3.6746	3.7645	2.33	4.67
	36-55	350	3.7629	.44591	.02383	3.7161	3.8098	2.56	4.78
	Above 55	82	3.7004	.40514	.04474	3.6113	3.7894	2.56	4.44
	Total	875	3.7351	.46072	.01558	3.7045	3.7657	2.33	4.78

Table 5.2.10: One Test ANOVA By Age Group.

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Financial Knowledge Score (%)	Between Groups	.365	2	.182	6.862	.001
	Within Groups	23.182	872	.027		
	Total	23.547	874			
Financial Attitude	Between Groups	.894	2	.447	1.951	.143
	Within Groups	199.929	872	.229		
	Total	200.823	874			
Financial Behavior	Between Groups	.477	2	.239	1.125	.325
	Within Groups	185.040	872	.212		
	Total	185.517	874			

Table 5.2.11: Multiple Comparisons by Age Group.

Multiple Comparisons							
Tukey HSD							
Dependent Variable			Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Financial Knowledge Score (%)	18-35	36-55	-.02284	.01166	.123	-.0502	.0045
		Above 55	.04939*	.01960	.032	.0034	.0954
	36-55	18-35	.02284	.01166	.123	-.0045	.0502
		Above 55	.07223*	.02000	.001	.0253	.1192
	Above 55	18-35	-.04939*	.01960	.032	-.0954	-.0034
		36-55	-.07223*	.02000	.001	-.1192	-.0253
Financial Attitude	18-35	36-55	.01262	.03424	.928	-.0678	.0930
		Above 55	.11335	.05756	.120	-.0218	.2485
	36-55	18-35	-.01262	.03424	.928	-.0930	.0678
		Above 55	.10073	.05875	.200	-.0372	.2387
	Above 55	18-35	-.11335	.05756	.120	-.2485	.0218
		36-55	-.10073	.05875	.200	-.2387	.0372
Financial Behavior	18-35	36-55	-.04339	.03294	.386	-.1207	.0339
		Above 55	.01918	.05538	.936	-.1108	.1492
	36-55	18-35	.04339	.03294	.386	-.0339	.1207
		Above 55	.06258	.05652	.510	-.0701	.1953
	Above 55	18-35	-.01918	.05538	.936	-.1492	.1108
		36-55	-.06258	.05652	.510	-.1953	.0701
*. The mean difference is significant at the 0.05 level.							

The hypothesis "There is a significant difference between the level of financial literacy of working young in Marathwada region based on their age" explores the impact of age on financial knowledge, attitude, and behavior among the young

working population. The analysis, grounded in ANOVA results and descriptive statistics, yields illuminating insights into how financial literacy facets vary across different age groups (18-35, 36-55, Above 55).

Financial Knowledge: The ANOVA results reveal a significant difference in financial knowledge scores across age groups ($F=6.862$, $p=.001$), indicating that age indeed influences financial knowledge levels. Particularly, the Tukey HSD post-hoc analysis shows significant mean differences between the 18-35 and Above 55 age groups, and between the 36-55 and Above 55 groups, suggesting that younger respondents tend to have higher financial knowledge scores compared to the eldest group. This finding aligns with Lusardi, Mitchell, and Curto (2010), who highlight age as a crucial factor in financial literacy levels, with younger individuals often having lower financial literacy due to less life experience and exposure to financial decision-making.

Table 5.2.26: Summary of Hypothesis

Summary of Hypothesis

Hypothesis	Variable Examined	Findings	Statistical Significance	Accepted/Not Accepted
H1	Financial knowledge level	Within acceptable levels	Not directly provided	-
H2	Relationship between financial knowledge, attitude, and behavior	Positive relationship confirmed	Significant	Accepted
H3	Impact of gender on financial literacy	Minimal but observable differences	Not significant for knowledge; significant for attitude and behavior	Partially Accepted
H4	Impact of age on financial literacy	Notable differences across age groups	Significant	Accepted
H5	Impact of family type on financial literacy	Subtle differences observed	Not significant	Not Accepted
H6	Impact of education on financial literacy	Significant differences across educational levels	Highly significant	Accepted
H7	Impact of income on financial literacy	Clear differences across income levels	Highly significant	Accepted
H8	Impact of marital status on financial literacy	Differences in attitude and behavior, not in knowledge	Not significant for knowledge; significant for attitude and behavior	Partially Accepted
H9	Impact of financial decision-making style on financial literacy	Minimal differences	Not significant	Not Accepted
H10	Impact of occupation on financial literacy	Notable differences across occupational categories	Highly significant	Accepted
H11	Impact of district on financial literacy	Significant differences across districts	Highly significant	Accepted

The exploration of financial literacy among the working young in the Marathwada region encompasses a comprehensive analysis through eleven distinct hypotheses.

Each hypothesis targets a specific demographic or socio-economic variable to discern its impact on financial literacy. This summary encapsulates the findings and implications of these hypotheses, providing a holistic understanding of the multifaceted nature of financial literacy in this demographic.

Hypothesis 1 investigated the general financial knowledge level within the working youth, positing it to be at an acceptable level. While specific statistical evidence was not directly provided, this foundational hypothesis sets the stage for a deeper examination of factors influencing financial literacy.

Hypothesis 2 confirmed a positive relationship between financial knowledge, attitude, and behavior, underscoring the interconnectedness of these aspects of financial literacy. The significant statistical backing for this hypothesis suggests that improvements in one area could positively influence the others, highlighting the importance of a holistic approach to financial education.

Hypothesis 3 delved into the impact of gender on financial literacy, revealing minimal but observable differences between genders. The partial acceptance of this hypothesis, due to significant findings in financial attitudes and behaviors but not in knowledge, suggests that while foundational financial knowledge may be similar across genders, their attitudes and behaviors towards finance vary, potentially due to societal norms and roles.

Discussion and Finding

Introduction

Financial literacy is a crucial skill set that empowers individuals to make informed decisions about managing their finances, investments, and overall economic well-being. In the context of the Marathwada region in Maharashtra, India, where economic conditions and employment opportunities significantly impact the lives of its residents, understanding the level of financial literacy among working youth is essential.

This study investigates the level of financial literacy among young working individuals in the Marathwada region and aims to identify the key determinants that influence their financial knowledge, attitudes, and behaviors. By gaining insights into these factors, policymakers, educators, and financial institutions can develop targeted interventions to enhance financial education programs and promote economic empowerment among the youth.

Secondary data finding

Financial Literacy Levels: Secondary data sources such as existing surveys or reports may provide insights into the overall level of financial literacy among young working individuals in the Marathwada region. This could include statistics on their understanding of basic financial concepts such as interest rates, inflation, budgeting, and investment options.

Financial Behavior and Decision-Making: Secondary data could provide insights into the financial behavior and decision-making processes of young working individuals in the Marathwada region. This could include data on savings rates, investment preferences, debt levels, and attitudes towards financial risk.

Demographic Factors: Secondary data sources may also offer information on demographic factors such as age, gender, education level, and socioeconomic status, and their correlation with financial literacy levels among young working individuals in Marathwada.

Savings and Investment Behavior: Further exploration of the savings and investment behavior of young workers, including their preferences for different types of savings accounts, investment vehicles (such as mutual funds or stocks), and attitudes towards long-term financial planning.

Financial Stress and Well-being: Data on the impact of financial stress on the overall well-being and mental health of young working individuals in Marathwada. This could include statistics on stress-related health issues, absenteeism from work, and productivity levels.

Primary Data finding

The primary data findings provide a comprehensive analysis of the demographic landscape and its impact on financial literacy among the young working population in the Marathwada region. Here's a summary of the key insights:

The primary data was collected through structured questionnaires distributed to individuals aged 25-40 across eight districts of the Marathwada region. A total of 1,789 respondents were approached using a combination of methods, including email, telephonic communication, and direct visits, with a predominant focus on the latter to enhance response rates and engagement. The data collected through direct visits was recorded on hard copies of the questionnaire, while online submissions were facilitated via Google Forms. Out of the initial respondents, 1,017 provided completed questionnaires, from which 875 valid responses were selected for final analysis after a thorough data cleaning and validation process.

Discussion & Contribution

Financial literacy is the ability to understand and effectively use various financial skills, including personal financial management, budgeting, and investing. It is a crucial competency for managing financial resources efficiently and making informed financial decisions.

Components of Financial Literacy

1. **Basic Financial Knowledge**: Understanding fundamental concepts such as interest rates, inflation, and the time value of money.
2. **Budgeting and Saving**: The ability to create and stick to a budget, as well as the importance of saving regularly for future needs.
3. **Debt Management**: Knowing how to manage and repay debts, understanding credit scores, and the implications of borrowing.
4. **Investing**: Understanding different investment options, risk and return trade-offs, and the benefits of diversifying investments.
5. **Financial Planning**: Setting long-term financial goals and developing strategies to achieve them, including retirement planning and insurance.

Importance of Financial Literacy

1. **Personal Financial Wellbeing**: Individuals with high financial literacy are better equipped to make decisions that enhance their financial security, such as saving for emergencies, investing for retirement, and avoiding high levels of debt.
2. **Economic Stability**: Financially literate individuals contribute to the overall economic stability by participating in the financial system responsibly, which includes timely debt repayments and informed investment decisions.

3. **Improved Financial Decision-Making**: Financial literacy empowers individuals to make informed choices regarding loans, investments, and purchases, leading to better financial outcomes and avoiding financial pitfalls.
4. **Enhanced Quality of Life**: Managing finances effectively reduces financial stress, leading to a better quality of life and improved mental health.

Impact on Financial Wellbeing

The impact of financial literacy on financial wellbeing can be significant. Financially literate individuals tend to exhibit better financial behaviors, such as:

1. **Regular Saving**: They understand the importance of saving regularly, which provides a safety net for emergencies and contributes to long-term financial goals.
2. **Informed Investment Decisions**: They are more likely to invest wisely, understanding the risks and potential returns, which can lead to wealth accumulation over time.
3. **Budgeting and Expense Tracking**: They tend to budget and track expenses more diligently, ensuring they live within their means and avoid unnecessary debt.
4. **Debt Management**: They are better at managing and repaying debts, maintaining good credit scores, and avoiding the high costs associated with poor credit management.

Challenges in Achieving Financial Literacy

1. **Educational Barriers**: Lack of access to financial education in schools and communities can hinder the development of financial literacy.
2. **Complex Financial Products**: The complexity of modern financial products and services can be overwhelming, making it difficult for individuals to make informed decisions.
3. **Behavioral Biases**: Human behavior, such as impulsiveness and short-term thinking, can undermine financial literacy and lead to poor financial decisions.
4. **Socioeconomic Factors**: Lower-income individuals may have limited access to financial education resources and face greater financial constraints, making it harder to achieve financial literacy.

Strategies to Improve Financial Literacy

1. **Educational Programs**: Implementing comprehensive financial education programs in schools and communities to teach basic financial concepts and skills.
2. **Public Awareness Campaigns**: Raising awareness about the importance of financial literacy through media campaigns, workshops, and seminars.
3. **Access to Resources**: Providing easy access to financial tools, resources, and counseling services to help individuals make informed financial decisions.
4. **Policy Initiatives**: Encouraging government policies that promote financial literacy, such as integrating financial education into school curriculums and supporting community-based financial education initiatives

Conclusion and Recommendation

Conclusion (Arranged Research Question-Wise)

This research aimed to investigate financial literacy among various demographic groups, examining the relationships between financial knowledge, financial attitudes, and financial behaviors, and analyzing literacy levels based on socio-demographic variables. The comprehensive questionnaire covered aspects such as demographics, financial decision-making, attitudes towards financial management, and basic financial knowledge.

1. Financial Literacy Levels: The study found that financial literacy levels vary significantly among different demographic groups. Higher education levels were associated with better financial knowledge and practices. However, even among highly educated respondents, there were gaps in basic financial concepts, indicating a need for more widespread financial education.

2. Relationship Between Financial Knowledge, Attitude, and Behavior: A clear relationship was observed between financial knowledge, financial attitudes, and financial behaviors. Individuals with higher financial knowledge demonstrated more positive financial attitudes and were more likely to engage in prudent financial behaviors, such as saving regularly, budgeting, and tracking expenses. Conversely, those with lower financial knowledge often displayed poorer financial attitudes and behaviors, emphasizing the importance of enhancing financial education to promote healthier financial habits.

3. Socio-Demographic Variables: The analysis based on socio-demographic variables revealed significant disparities in financial literacy. Younger age groups (18-35) and lower-income groups (less than Rs. 20,000 per month) exhibited lower levels of financial literacy compared to older and higher-income groups. Additionally, those who made financial decisions independently had better financial knowledge and practices than those who relied on consultation

Key Findings:

1. **Importance of Saving and Financial Planning:**

A significant majority of respondents strongly agreed or agreed that it is important to save money on a monthly basis and establish financial targets for the future. This indicates a widespread recognition of the importance of saving and planning among the target group.

2. **Control of Monthly Expenses:**

Responses were mixed regarding the importance of controlling monthly expenses, with some respondents disagreeing or strongly disagreeing. This suggests that while many

understand the importance of expense control, there is still a portion of the population that may benefit from further education on the impact of expenses on financial health.

3. **Impact of Current Financial Management on Future:**

Most respondents agreed that the way they manage money today will affect their future, highlighting an awareness of the long-term implications of current financial behaviors.

4. **Budgeting and Expense Tracking:**

There was strong agreement on the importance of staying within a budget and regularly tracking expenses. This indicates that many respondents practice or understand the value of these financial habits.

5. **Investment and Long-term Goals:**

The majority agreed on the importance of investing regularly to achieve long-term targets and setting long-term financial goals. This shows a positive attitude towards proactive financial planning and investment.

6. **Payment Timeliness and Financial Record Keeping:**

A high number of respondents agreed that paying bills on time and maintaining financial records are crucial practices, indicating responsible financial behavior.

7. **Efforts to Increase Financial Knowledge:**

Many respondents take efforts to increase their financial knowledge, suggesting a proactive approach to improving their financial literacy.

8. **Impulsive Buying and Price Comparison:**

There were varied responses regarding impulsive buying and price comparison, with some respondents admitting to buying on impulse and not always comparing prices. This highlights areas where financial education could further reinforce the benefits of careful financial planning and spending.

The research aimed to evaluate the financial literacy of respondents through a set of questions designed to assess their basic financial knowledge and understanding of fundamental financial concepts. The questions covered areas such as simple arithmetic, interest rates, inflation, investment risk, and financial planning. The findings provide a comprehensive view of the financial literacy levels within the target group.

Recommendations

Based on the findings of this research, the following recommendations are proposed to enhance financial literacy:

Targeted Financial Education Programs:

Develop and implement financial literacy programs tailored to the needs of specific socio-demographic groups, such as young adults, low-income families, and minority communities. These programs should address the unique challenges and financial realities faced by each group.

Integration of Financial Literacy into Formal Education:

Incorporate comprehensive financial literacy education into school curricula at all levels. This should include practical topics such as budgeting, saving, investing, and understanding credit.

Promotion of Positive Financial Attitudes:

Design initiatives that not only increase financial knowledge but also promote positive financial attitudes. Workshops and seminars that emphasize the benefits of good financial practices can help foster a healthier financial mindset.

Community Outreach and Engagement:

Engage with local communities through workshops, seminars, and interactive sessions to spread financial literacy. Partner with community organizations to reach a wider audience and ensure that financial education is accessible to all.

Use of Technology and Online Resources:

Leverage digital platforms to offer financial education resources. Online courses, webinars, and financial planning tools can provide flexible and accessible learning opportunities.

Limitations and Future Scope

Despite the comprehensive methodology and thorough approach taken in this research, several limitations should be acknowledged:

1. **Geographical Limitation:**

The study focuses exclusively on the Marathwada region. While this provides detailed insights into the financial literacy of the young working population in this area, the findings may not be generalizable to other regions with different socio-economic and cultural contexts.

2. **Sample Representation:**

Although a stratified sampling technique was used to ensure demographic diversity, the final sample of 875 respondents may still not fully represent the entire young working population of Marathwada. Certain groups, such as those with lower internet access or those who are less likely to participate in surveys, may be underrepresented.

3. **Self-Reported Data:**

The study relies on self-reported data collected through questionnaires. This approach is subject to biases such as social desirability bias, where respondents might provide answers they perceive as favorable rather than their true behaviors or attitudes. There is also a risk of recall bias, especially for questions related to past financial behaviors.

4. **Questionnaire Design:**

While the questionnaire was designed to be comprehensive, the use of MCQs and Likert scale questions may limit the depth of responses. Some nuances in financial attitudes and behaviors might not be fully captured through these formats. Additionally, reverse-coded questions, although intended to mitigate response bias, might have confused some respondents, potentially affecting the accuracy of their answers.

Scope of future research

1. **Longitudinal Impact of Financial Literacy Programs:**

Conduct longitudinal studies to track individuals over extended periods after they receive financial literacy education. This would help in understanding how financial behaviors evolve over time and the sustainability of financial knowledge.

2. **Behavioral Changes:**

Investigate specific behavioral changes resulting from financial literacy education, such as improvements in saving habits, investment decisions, debt management, and budgeting practices.

3. **Comparative Studies:**

Compare different types of financial literacy programs to determine which methods (e.g., in-person workshops, online courses, interactive apps) are most effective in promoting long-term positive financial behaviors.

4. **Demographic Variations:**

Explore how the long-term effects of financial literacy education vary across different demographic groups, including age, gender, income level, education, and occupation. This can help tailor financial education programs to meet the specific needs of various segments of the population.

5. **Integration with Technology:**

Examine the role of technology in enhancing financial literacy education and its long-term impact. For example, the use of mobile apps, online platforms, and gamification could be assessed for their effectiveness in reinforcing financial knowledge and behaviors.

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